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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: INVESTMENT NETWORK, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

484 S. MILLER RD., SUITE 101

(No. and Street)

FAIRLAWN

(City)

OHIO

(State)

44333-4176

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Richardson, Edward Jr.

(Name - if individual, state last, first, middle name)

15565 Northland Drive, Suite 508

(Address)

Southfield

(City)

MI

(State)

48075

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

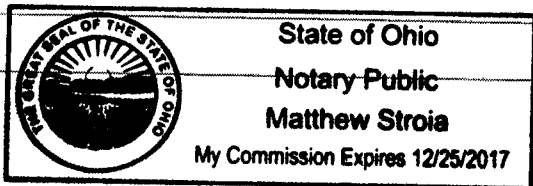
SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, GARY L ARNOLD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INVESTMENT NETWORK, INC., as of FEBRUARY 27, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



  
Signature

PRESIDENT

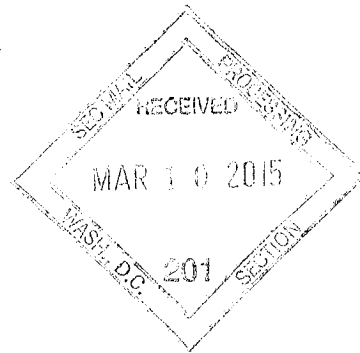
Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



**Investment Network, Inc.**

**Financial Statements and Supplemental  
Schedules Required by the  
U.S. Securities and Exchange Commission**

**Including Independent Auditor's Report Thereon**

**For the Year-Ended December 31, 2014**

***December 31, 2014***

**INVESTMENT NETWORK, INC.**  
**December 31, 2014**

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Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514

## Independent Auditor's Report

Board of Directors  
Investment Network, Inc  
484 South Miller Rd  
Fairlawn, OH 44333

### Report on the Financial Statements

I have audited the accompanying statement of financial condition of Investment Network, Inc as of December 31, 2014 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Investment Network, Inc management. My responsibility is to express an opinion on these financial statements based on my audit.

### Auditor's Responsibility

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Investment Network, Inc as of December 31, 2014, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

### Other Matters

The Net Capital Computation has been subjected to audit procedures performed with audit of Investment Network, Inc financial statements. The Net Capital Computation is the responsibility of Investment Network, Inc's management. My audit procedures included determining whether the Net Capital Computation reconciles to the financial statements or the underlying accounting and other records as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Net Capital Computation. In forming my opinion on the Net Capital Computation, I evaluated whether the Net Capital Computation, including its form and content is presented in conformity 17 C.F.R. § 240 17a-5. In my opinion, the Net Capital Computation is fairly

stated, in all material respects, in relation to the financial statements as a whole.

*Edward Richardson Jr. CPA*

Edward Richardson Jr., CPA  
Southfield, MI 48075  
February 16, 2015

**Investment Network, Inc**  
**BALANCE SHEET**  
**As of December 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$	2.18
Cash in Bank		29,449.58
Cash in Bank		25,000.00
Investments		58,258.55
Accounts Receivable		<u>32,439.88</u>

<b>Total Current Assets</b>		<u>143,150.19</u>
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**PROPERTY AND EQUIPMENT**

Equipment		6,710.00
Less: Accumulated Depreciation		<u>(6,710.00)</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<u><b>143,150.19</b></u>
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The footnotes are an integral part of the financial statements.

**Investment Network, Inc**  
**BALANCE SHEET**  
**As of December 31, 2014**

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$	5,246.32
Commission Payable		4,800.00
Accrued Liabilities		<u>5,269.41</u>

<b>Total Current Liabilities</b>		<u>15,315.73</u>
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**LONG-TERM LIABILITIES**

<b>Total Liabilities</b>		<u>15,315.73</u>
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**STOCKHOLDERS' EQUITY**

Capital Stock, no par value, 100 shares authorized, issued and outstanding	10,000.00
Paid in Excess	99,345.23
Retained Earnings	<u>18,489.23</u>

<b>Total Stockholders' Equity</b>	<u>127,834.46</u>
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 143,150.19</u>
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The footnotes are an integral part of the financial statements.



# Investment Network, Inc

## STATEMENT OF INCOME

12 Months Ended  
December 31, 2014

### Revenues

Commissions Earned	\$ 271,714.11
Other income	542,351.58
Interest income	536.39
Miscellaneous income	<u>574.78</u>
<b>Total Revenues</b>	<u><b>815,176.86</b></u>

### Operating Expenses

Employee compensation and ben	675,569.91
Floor brokerage, exchange, and c	97,832.29
Communications and data proces	2,569.23
Occupancy	12,900.00
Other expenses	59,560.04
<b>Total Operating Expenses</b>	<u><b>848,431.47</b></u>

**Operating Income (Loss)** **(33,254.61)**

**Net Income (Loss)** **\$ (33,254.61)**

The footnotes are an integral part of the financial statements.

**Investment Network, Inc**  
**STATEMENT OF RETAINED EARNINGS**

**12 Months Ended  
December 31, 2014**

Beginning of Period	\$ 54,869.37
Plus: Net Income	\$ (33,254.61)
Plus: Prior Period Adjustment	\$ (3,125.53)
Less: Dividends Paid	<u>0.00</u>

<b>RETAINED EARNINGS END OF PERIOD</b>	<b><u>\$ 18,489.23</u></b>
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The footnotes are an integral part of the financial statements.

**Investment Network, Inc**  
**STATEMENT OF CASH FLOWS**  
**For the 12 months Ended December 31, 2014**

	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ (33,254.61)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Prior Period Adjustment	(3,125.53)
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Investments	46,057.73
Accounts Receivable	(15,646.74)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	2,898.98
Accrued Liabilities	(1,363.87)
Total Adjustments	<u>28,820.57</u>
Net Cash Provided By (Used in) Operating Activities	(4,434.04)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds From Sale of Fixed Assets	<u>0.00</u>
Net Cash Provided By (Used in) Investing Activities	0.00
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds From Sale of Stock	7,041.81
Treasury Stock	<u>0.00</u>
Net Cash Provided By (Used in) Financing Activities	<u>7,041.81</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,607.77
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>26,843.99</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 29,451.76</u>

The footnotes are an integral part of the financial statements.

INVESTMENT NETWORK, INC.  
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Common Stock		Paid-in Capital		Treasury Stock		Retained Earnings	Total Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount
Balance of January 1, 2014	200	\$ 10,000.00	200	92,303			54,869	157,172
Net Income							-33,255	-33,255
Capital Transactions				3,917				3,917
Prior Period Adjustments				2,809				
Balance of December 31, 2014	200	10,000	200	99,029			18,489	127,834

The footnotes are an integral part of the financial statements

**INVESTMENT NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Investment Network, Inc., (the "Company"), was incorporated under the laws of the state of Ohio on April 24, 2003. The Company is a securities broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA).

Description of Business

The Company, located in Fairlawn, Ohio, is a broker and dealer in securities registered with the Securities and Exchange Commission ("SEC") and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company's customers are held by a clearing broker-dealer.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company when the services rendered.

**INVESTMENT NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

Income taxes

Effective January 1, 2002, the Company elected "S" corporation status for federal income tax purposes. Under "S" corporation regulations, net income or loss is reportable for tax purposes by the shareholders. Accordingly, no federal income taxes are included in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2014, the Company did not have any components of Comprehensive Income to report.

Concentrations

The Company has revenue concentrations; the company specializes in sales of securities.

**NOTE B – NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material inadequacies in the amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding Part IIA of the FOCUS report required under Rule 15c3-1.

See accountant's audit report

**INVESTMENT NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE C – POSSESSION OR CONTROL REQUIREMENTS**

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(2)(ii) by promptly transmitting all customer funds or securities to the clearing broker who carries the customer accounts.

**NOTE D – OTHER COMMITMENTS AND CONTINGENCIES**

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2014, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

**NOTE E – ADVERTISING**

The amount of advertising recorded in 2014 was \$900.00; the amount was expensed as incurred.

**NOTE F – RENT**

The amount of rent for December 31, 2014 was \$12,900.00

**NOTE G - SUBSEQUENT EVENT**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 16, 2015, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Supplementary**  
**Pursuant to rule 17a-5 of the**  
**Securities and Exchange Act of 1934**  
**As of and for the Year Ended December 31, 2014**

See accountant's audit report



**Investment Network, Inc.**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2014**

**Computation of Net Capital**

Total Stockholder's equity:		\$ 127,834.00
Nonallowable assets:		
Property and equipment	0.00	
Accounts receivable – other	0.00	(0.00)
Other Charges		
Haircuts	0.00	
Undue Concentration	0.00	( 0.00)
Net allowable capital		\$ 127,834.00

**Computation of Basic Net Capital Requirement**

Minimum net capital required as a percentage of aggregate indebtedness	\$ 11.98
Minimum dollar net capital requirement of reporting broker or dealer	\$ 50,000.00
Net capital requirement	\$ 50,000.00
Excess net capital	\$ 77,834.00

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	\$ 15,316.00
Percentage of aggregate indebtedness to net capital	1.02%

**Reconciliation of the Computation of Net Capital Under Rule 15c3-1**

Computation of Net Capital reported on FOCUS IIA as of December 31, 2014	\$ 127,834.00
Adjustments:	
Change in Equity (Adjustments)	(0.00)
Change in Non-Allowable Assets	(0.00)
Change in Haircuts	(0.00)
Change in Undue Concentration	0.00
NCC per Audit	127,834.00
Reconciled Difference	\$ (0.00)

See accountant's audit report

**Investment Network, Inc.**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended December 31, 2014**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The client is exempt under 15c3-3(k)(2)(i)..

**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**

Balance of such claims at January 1, 2014	\$ -
Additions	-
Reductions	-
Balance of such claims at December 31, 2014	\$ -

See accountant's audit report

**REPORT ON BROKER DEALER EXEMPTION**

**For the year ended December 31, 2014**

**See accountant's audit report**

Edward Richardson, Jr., CPA  
15565 Northland Suite 508 West  
Southfield, MI. 48075

February 16, 2015

Board of Directors  
Investment Network, Inc.  
484 South Miller Road  
Suite 101  
Fairlawn, OH 44333

I have reviewed management's statements, included in the accompanying Representation Letter of Exemptions, in which (1) Investment Network, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Investment Network, Inc., claimed an exemption from 17 C.F.R. § 15c3-3(k)(1), and (2) Investment Network, Inc., stated that Investment Network, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Investment Network, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Investment Network, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I'm not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Edward Richardson, Jr., CPA*

Edward Richardson, Jr., CPA

**REPORT ON SIPC ASSESSMENT RECONCILIATION**

**For the year ended December 31, 2014**

Edward Richardson Jr., CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

Board of Directors  
Investment Network, Inc.  
484 South Miller Road,  
Suite 101  
Fairlawn, OH 44333

In accordance with Rule 17a-5C(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the period January 1, 2014 to December 31, 2014, which were agreed to by Investment Network, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and the SIPC, solely to assist you and other specified parties in evaluating Investment Network, Inc., compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). Investment Network, Inc. management is responsible for Investment Network, Inc. compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures were performed and our findings are as follows:

1. Compared the listed assessment payments represented on Form SIPC-7 with the respective cash disbursements record entries, including check amount of \$244.00.
2. Compared audited Total Revenue for the period of January 01, 2014 through the December 31, 2014 (fiscal year-end) with the amounts reported on Form SIPC-7 for the same period noting no reportable reconciliation differences.
3. Compared any adjustments reported Form SIPC-7 with supporting schedules and work papers, to the extent such exists, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected on Form SIPC-7 noting no differences.
5. If applicable, compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed. According to our findings, Investment Network, Inc., had no reportable differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Edward Richardson, CPA*

February 16, 2015

# INVESTMENT NETWORK, INC.



February 23, 2015

Edward Richardson, Jr. CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

RE: Exemption Statement Rule 15c3-3 (k) (2) (ii) for FYE December 31, 2014

Dear Edward,

Please be advised that Investment Network, Inc. has complied with Exemption Rule 15c3-3 (k) (2) (i), for the period of January 1, 2014 through December 31, 2014. Investment Network, Inc. did not hold customer securities or funds at any time during this period and does business on a limited basis (publicly registered non-trades REITS, and oil & gas partnerships). Investment Network, Inc.'s past business has been of similar nature and has complied to this exemption since its inception, (date).

Gary L. Arnold, the president of Investment Network, Inc. has made available to Edward Richardson all records and information including all communications from regulatory agencies received through the date of this review December 31, 2014.

Gary L. Arnold has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were no known events or other factors that might have affected Investment Network, Inc.'s compliance with this exemption.

If you have any questions, please do not hesitate to call.

Sincerely,

Gary L. Arnold, CFP®, ChFC, CLU, EA  
President